

# President's News Conference on Foreign and Domestic Issues

Following is a transcript of President Reagan's news conference last night in Washington, as recorded by The New York Times:

## OPENING STATEMENT

Earlier today on his return from Geneva, Secretary Shultz reported to me on the full details of his discussions with Soviet Foreign Minister Gromyko over this past Jan. 7 and 8. As you are aware, his meeting with Mr. Gromyko has resulted in an agreement between our two nations to begin new negotiations on nuclear and space arms.

Our objective in these talks will be the reduction of nuclear arms and the strengthening of peacekeeping stability. Our ultimate goal, of course, is the complete elimination of nuclear weapons.

I want to take this opportunity to congratulate George Shultz, Bud McFarlane and the rest of our delegation for a job well done. Their teamwork in Geneva was American diplomacy at its best.

Our relations with the Soviets are many and profound. And these new negotiations will be difficult as we people with the issues so central to peace and security for ourselves, our allies, and the world. But we will persevere.

And while we must continue to resist attacks by the Soviet Union that threaten our freedom and vital interests, we must also be prepared to work together wherever possible to strengthen the peace.

When I spoke before the United Nations General Assembly this past September, I set out my objectives and proposals for a more stable and constructive relationship between East and West.

Today, I'm very hopeful that this week's meeting in Geneva, while only a single step, is the beginning of a new dialogue between the United States and the Soviet Union.

It's also my hope that as 1983 unfolds, this year will emerge as one of dialogue and negotiations, a year that leads to better relations between the United States and the Soviet Union.

I believe a more stable peace is achievable through these negotiations, and I urge all Americans to join in supporting this search for a more stable peace.

But it takes two sides to have constructive negotiations; one side alone cannot do it. We must make clear our intentions and expectations for progress in U.S.-Soviet relations.

Secretary Shultz has reinforced that message in his lengthy sessions with Mr. Gromyko. On our part, we'll be flexible, patient and determined. And we now look to the Soviet Union to help give new life and positive results to that process of dialogue.

Now, Helen.

recession led to the next one being worse and inflation higher and unemployment greater and so forth. We have made a great start on a recovery that is based on sound principles and not on artificially stimulating the economy. And we're going to stay with a plan of that kind. I think that a tax increase would be counterproductive. And I think also that today, even though you all had the report that there was a fraction of a percent increase in the unemployment rate for December over November, I'd like to point out that — and the statisticians always do puzzle me — however, there were 400,000 more people employed in the United States in December than were employed in November. But evidently there were more new entrants to the job market. We have more people employed today, but just as one figure, the only reason I brought that up is to point out that there are 340,000 more people in the country than there were a year ago. A lot of people who are now taxpayers and who will be contributing to Government's revenues. And the best way to increase Government's revenues is not by increasing the rates. The best way is by bringing the rates down, not increasing the economic upswing.

**Staff Changes**

Q. Mr. President, you said after your victory in the election that you would break up a winning team, yet your three top assistants are leaving the White House. Mr. Deaver and Mr. Clark are leaving the Administration entirely. Are you going into your second term with a second string team? And aren't you going to feel a little lonely without your long-time California aide?

A. Well, of course, I'll miss any one of those. We've been a fine team, and any of those feel they want to leave — but I don't want to accept a resignation from the beginning that I wanted people to take these positions in Government. I wanted people who would stay with me as long as I could. I know that some people can only stay a short time and then they have to return to their own private lives and careers. And I said that I would then go out and find someone to replace them when that time came.

So Secretary Clark — I'd like to point out that Secretary Clark, at the time he was in the White House, was in the White House because, being Governor of California and being President, I had a few years as a Governor and he was there. And he stayed on when I urged him at that particular time to go for a while. But I've understood that he was coming to the point that he wanted to and would return.

Mike Deaver, I knew that if there was a second term that he didn't feel that he could go for eight years. He'll be 65 years old. And I think that if other people you mentioned, they're just changing chairs at the Cabinet table. They're not leaving the White House. I think they're just taking time off, I'll be listening, Chris?

**Talks on Weapons**

Q. Yes, sir. I'm a little confused by your original answer on if you will forgive me, "Star Wars." If we can continue to use that term, you say you're willing to negotiate about it now, but you also said that you want to go forward with research and only then, based on the results, come out whether the plan is feasible or not, which is sometimes perhaps beyond the point, in 1990 or so.

The question is now, in the talks that are going to begin this year, would you consider setting limits on the deployment and the testing of "Star Wars"?

A. Chris, I think that would be way ahead of ourselves. We don't even know what kind of a weapon, if we're able to come up with one, that this would be. Now, I think maybe the people you have been looking at some of those drawings on your TV news program — I don't know in which year they're going to be ready to go, and I can see that shooting missiles down, and it looks like we don't know, that's why, when I said "Star Wars," and criticized it, I never mentioned space or anything. I don't know, I'm not a scientist.

I said all through history we've always been able to come up with a defensive weapon; isn't it worth re-examining to see if there isn't some weapon that is more humane and moral than saying that the only defense we have in the nuclear age is that if they kill tens of millions of people, we'll kill tens of millions of them. We're searching for a weapon that might destroy nuclear weapons, not nuclear itself, destroy weapons, not people. And, if we come up with such a thing, then is the time to turn to the world, to our allies, possibly even our adversaries and say, "Look, we now have this." And if we haven't by that time eliminated nuclear weapons entirely, this could be a big contributing factor to bringing that about.

But aren't you running the risk of having these arms talks break down over this issue? The Soviets say that that's their top priority.

A. No, no. One of the three phases that has been agreed upon, in what I think is a most successful meeting in Geneva, is that we will be talking in three groups about strategic nuclear weapons — these are offensive weapons — about strategic intermediate-range weapons — again offensive — and there will be a third sector where we'll be talking about defense and space. Whether it is to do with weapons shooting things down that are in space or whether it's weapons in space shooting down. And, as I say, what we're doing with this research isn't talking about defense and space, that they couldn't argue about it — it is research, continue researching, it is within the provisions of the ABM treaty.

**Budget Tactics**

Q. Mr. President, in response to Gary's question, you indicated that you would accept a freeze in Social Security COLAs if it were forced on you by Congress. Would you also accept that you would accept a tax increase if Congress pressed you on that?

A. No, I feel that a tax increase, as I say, would be counter-productive and would set us back in the very thing that we're trying to accomplish. The first four years and intend to carry. And that is an economic expansion.

With regard to defense, here, again, I have to say, I don't see a program in which we can determine what we want to spend. That is dictated by outside influences, things outside our country.

And I would like to point out that the Department has a line on its own, voluntarily, with a bigger budget than has been asked of it for the last four years. ICM's have been cut. Now they point out — and I think I support them in this very logically — that it is impossible to make a projection over three or five years as to what you will spend in those years.

What if some development on the other side of the ocean absolutely makes it necessary for us to do something that we can't even contemplate now with regard to national security?

Now, with defense as asked, I do not want to deny that we have a problem. Now, I think that's the point to accept that here, in good faith, they have come up with, as I say, a bigger budget than has been asked of it for the last four years.

And may I call your attention to something else, and maybe you'd like to rally around and help with a few dollars, I think that policy some time ago of the Congress demanding that the President submit a budget — even though I wasn't there at the time — that refused to ratify it. And that's why my belief is that the type of negotiations we're suggesting are the only ones that make sense. Don't just limit the rate of increase — reduce the rate of increase.

Q. Mr. President, your aides have said that they have some innovative, interesting ideas if the negotiations are resumed. What are your ideas — defensive weapons aside — what are your ideas for reducing offensive weapons? Ideas that weren't put forward in the negotiations that were aborted and that could offer some hope for progress in this new round of negotiations now?

A. Well, I don't want to give away anything in advance the things that belong at the negotiating table. But, you know, the things that we've made clear to the Soviets is that we recognize there may be differences with regard to the mix of weapons on both sides and we're prepared to deal with that problem, and where perhaps we have something that is an advantage to us, they have something that's an advantage to them, to discuss trade-offs in that area. It is true that when we first went into the strategic missile negotiations we believed that the top priority should be land-based missiles. But the Soviets made it plain that they weren't following our pattern, the mix of missiles, that they placed more reliance than we did on the land-based and they didn't wait for us when we told them that we were willing that, O.K., to deal with them on that problem. They went home anyway and didn't come back. But these are new negotiations. Both sides rule that they're new negotiations.

Q. Mr. President, you started the week with a number of surprises and changes in your staff. I'm wondering now that you have the opportunity if you would like to get any other personnel changes off your chest, such as the change in a replacement for Mr. Clark. For example, for example, Mr. Hodel is going to replace him? A. I ain't talking. I'll tell you when we've made a decision.

**Geneva and Détente**

Q. You think, Mr. President. Do you think that the Geneva meetings this week and the resumption of arms negotiations in the near future might lead to the new era of détente that Mr. Chernenko called for last November?

A. I think that there will be other things talked about other than just weapons. And yes, but let me make plain about détente. That is a word that's been a little abused in the past in some ways. Yes, we would welcome such a thing as long as it was a two-way street. Our problem in the past has been that it has too much been a one-way street. And we were going the wrong way on that street.

So we've definitely are trying to arrive at a position in which we can settle some of the other bilateral regional issues, and trade matters, that are at odds between us.

Q. What about all the matters like Afghanistan, Southeast Asia, problems there, would they come up as well?

A. They did not and, well, I can't say whether we voiced our opinion of them. But I think that there will be a great deal of discussion in the long hours of those meetings. But, no, all of those things. And we've made it very clear to them that our opinion is of some of these practices.

**Post for Nixon**

Q. Mr. President, are you about to name former President Richard Nixon to a post in your Administration, perhaps as a roving ambassador of some sort, or perhaps someone involved in the upcoming arms negotiations?

A. Well, he has never suggested himself, that he had any interest in such a thing, and, no, we have no such plan.

Q. Have you been consulting with him on the arms talks, or do you plan to?

A. I feel, and we do keep all the former Presidents briefed, and bring them up to date on things that we've done, and so forth, so I talk to him every once in a while, like today, to say happy birthday. Gerry?

**Simplifying Taxes**

Q. Thank you, Mr. President. In light of the changes in jobs with Mr. Reagan and Mr. Baker, do you now plan to make a greater push on simplifying the tax system and do you think it has a better chance of getting Congressional approval?

A. Gerry, whether that will help or not, all of us — the two that are changing jobs and myself, as well as others — are totally dedicated to trying to get the tax simplification. Now I know that some have suggested that maybe we're putting that on a back burner, no, we have been so busy and put top priority on getting a budget ready, and with regard to that, that study made by the Treasury Department. They now are also getting input from various sectors of the business world out there and from society, and also dealing with people on the Hill. I believe that they recognize that there are things in there that may be open to choose or not to accept, and as soon as we get a budget in shape and present it, then we will go into the same lengthy process we've been in on a budget, only this time on a tax simplification because we've determined that we're going forward on these two tracks, but it is a two-track approach. We're not sending them up there as a package that we're going to begin training between one and the other.

Thank you, I'm sorry. Why don't you all get together and find some way in which I don't have to leave so many hands in the air?

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## QUESTIONS AND ANSWERS

### Weapons Negotiations

Q. Mr. President, if you are flexible in your willingness to conduct research in Star Wars technology for deep cuts in the Soviet nuclear arsenal, are you set in concrete in your advisers say, against any negotiations on Star Wars?

A. Well, let me say that what has been called Star Wars, and Helen, I wish whoever coined that expression would take it back again. I don't think it gives a false impression of what it is we're talking about. But that will be on the table with everything else, of course. There's no precondition with regard to the talks that we're going to have. But, this is research, a research program and it is within the provisions of the ABM treaty. So all that we've made clear is that we're going forward on the research. But we've also made it clear that if that research does come up, as we hope, with something that could be a defensive weapon we're talking about, non-nuclear, then we would be willing to go into negotiations and to discuss with the other nations of the world and with our allies about what to do about that and whether and how to deploy.

Q. ... Star Wars, even if you don't like the term, it's quite popular, is on the table for negotiation as compared to the technology might be developed?

A. ... is on the table only because I mean it's not ... we made it very clear. Q. I mean it's not just a bargaining chip?

A. No. Of no. Who. Whoops.

**Verification of Pact**

Q. Mr. President, in the past you have characterized the Soviet Union as an arm empire. And you have said that they have repeatedly violated the arms agreements they have made with the United States. Some of your advisers today doubt that the technology exists to adequately verify any agreement. Do you believe verification is possible or do you think the Soviet Union will try to violate any agreement you might make?

A. Well, we know that they have had a past record of violating agreements. We know also that absolute verification is impossible. But verification to the extent possible is going to be a very necessary feature in our negotiations. And I would like to also point out that because they've expressed the desire to totally eliminate nuclear weapons, our own weapons is far easier to verify than if you're simply reducing the numbers. To have to continue trying to count numbers is much more difficult, Gary.

Q. Mr. President, thank you.

**Social Security Costs**

Q. Mr. President, thank you. Senate Republicans and the leadership and your top aides have all said that Social Security costs and living allowances are not necessarily untouchable in the effort to reduce the budget deficit. Is the Social Security COLA off limits, as you promised during the campaign? Or is it negotiable?

A. Well, I never specifically mentioned that. I did say, however, that I would resist any proposal that would reduce the payments and the benefits — which it had been intimated in the Hill — you will remember that I was responding to charges that I had some secret plan and plan to do that. I had no such plan, and I am repeating this.

I think what someone has taken as a comment in one of our own meetings about the present budget, based on some news reports that up on the Hill there was widespread feeling about freezing the COLAs on Social Security, and all I commented on was that we might be faced with an over-optimistic bipartisan effort in the House in support of that. Well, I don't talk about what I would or would not do, but I think that you reaches my desk, but I think it would — I would have to look at that situation and what I would do. I don't regard it as a possible Congressional mandate.

On the other hand, I have to say this about the Social Security and the

COLAs, and I think some of those who are calling for that on the Hill should recognize that Social Security is not part of the deficit problem. It is totally financed by a payroll tax and that tax is totally dedicated to that one program. If Social Security spending were reduced you could not take that money and use it for anything else. Any other program in the deficit. It would simply go back into the Social Security trust fund. So I think that it's far more profitable — the idea of balancing a budget — to turn to the programs that are really causing the deficit.

A. Dan?

**Subway Gunman**

Q. Mr. President, a man in the subway in New York City took a gun and shot four youths who apparently were trying to shake him down. Without any specific case, since it is in the courts, what do you think about the use of deadly force in trying to deal with a gun against a gun?

A. Sam, I'm glad that you said that about it being a case now before the courts, because that does prohibit me from commenting on that particular case. In general, I think we all understand the frustration of people who are in the law and order is not particularly protecting them. On the other hand, I think we all realize there is a breakdown of civilization if people start taking the law in their own hands. So while we may feel some understanding or sympathy for someone who was tested beyond his control, his ability to control himself and use the same time we have to abide by the law and stand for law and order.

Q. Mr. President, many Americans feel that there is no real justice in the way the police either are unable or not sufficiently in force to do their jobs. What is the alternative for Americans?

A. Well, there apparently are some centers of crime and places where criminals have found a way to live more than others. But actually we've been making sizable progress in the last few years. I think we have a lot of progress to make. For the first time, I think, since the crime statistics have been kept, we've had two years in a row going down; two years in a row in regard to serious crime. So a lot of it, I think, depends on all of us and our individual efforts.

I don't blame the police so much for what we've seen over the years. There's a kind of a war of attrition in the whole structure of judicial and every place else in crime in which it seemed that we got overwhelmed in prosecuting the criminals' rights and forgot about the victims. And, I think, if we have the law enforcement and stricter punishment, we'll continue to see decline in crime.

Bill.

**Campaign Promises**

Q. Mr. President, have you painted yourself into a corner with your campaign promises to raise taxes only over your own deficit problem and Security and to keep up defense spending? The majority leader in the House and the Senate have both about writing his own budget and it appears to many people that you have painted yourself into a corner with your own or the budget problem and are going to leave it to Congress.

A. No, in the first few days of February, I said that I would look to the Congress and I don't mind if they want to do what they're doing and have some plans of their own or are suggesting some. Maybe they've got some ideas we haven't thought of and I'd be very happy to look at them as well as ours. But it's my responsibility to submit a budget. I don't think that I should be responsible to have a budget that in overall spending will be no greater in '86 than the spending in '85.

But, sir, if you trust the people within your own party it seems to me that if you keep all your promises to me, I don't think that you can accomplish that goal.

A. I just don't believe them. First of all, I don't think that the idea of a tax increase and slowing down the economy and putting us right back in a pattern that we've had since World War II right recessions in a row. And every

President Reagan speaking at news conference last night.

The New York Times/George Thomas

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